Half Year Financial Report

June 30, 2019

Median Technologies SA

This is a free translation into English of the Half-Year Financial Report issued in French and it is provided solely for the convenience of English-speaking users.

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2. PRESENTATION OF THE GROUP

A. Presentation of Median Technologies

Our mission, our vision

Median Technologies specializes in the field of medical image analysis.

Our vision is to contribute to the emergence of predictive and precision medicine through the development and marketing of software products and innovative platforms for medical image analysis. Medical images are key to evaluate how a patient is responding to a current treatment. Today, with the emergence of Artificial Intelligence and Big Data technologies, medical images make it possible to better understand and diagnose diseases, optimize treatments and ultimately deliver the right treatment to the right patient, at the right time—the very purpose of precision medicine.

In oncology, the therapeutic area on which Median is positioned, imaging is very important and is used throughout the entire continuum of health that goes from therapeutic innovation and development of new drugs to patient care in clinical routine. As a result, our company's positioning addresses imaging in clinical trials and patient care as well.

The work carried out by the Median Technologies teams is intended to contribute to the healing of cancer patients and the improvement of their quality of life. Our robust scientific expertise and our technological base, which is constantly being enriched and improved since the creation of the Company, make it possible to extract the most relevant clinical information from medical images and thus to assist the current revolutions in the fields of therapeutic innovation and clinical practice.

As a result, Median is today at the heart of medical image analysis and management for the development of new drugs in clinical trials, diagnostic support and patient care.

Our company was created in 2002 on the Sophia Antipolis technology park in the South of France where we still have our headquarters. The Sophia Antipolis site currently includes the majority of our teams, including all the Research and Development teams. In addition, our Company has a subsidiary in the United States, a second one in Hong Kong and another in Shanghai in the form of WFOE ("Wholly Foreign Owned Enterprise").

A multidisciplinary team

Our teams have scientific expertise in image processing, artificial intelligence technologies, machine learning, data science, cybersecurity, cloud computing and biostatistics. They are also specialized in the definition, development and marketing of medical software products in compliance with various regulations, and in the conduct of clinical projects, imaging services and the regulatory environment specific to this sector.

As individuals and as a team, we are driven by a strong corporate culture and four core values: leading innovation with purpose, committing to quality in all we do, supporting our customers in achieving their goals, and putting the patient first. Median's teams are keenly aware of the social responsibility inherent in healthcare industries, and it is a real motivation to continue pushing the boundaries of the unique and specific imaging technologies we develop.

Collaborations and structuring partnerships

After 16 years in the world of medical imaging, we know both players in the field—be the industrial, scientific or clinical—and Key Opinion Leaders.

Since the creation of Median, we have built our imaging expertise through an internal research program and through collaborations with international scientific institutes that specialize in image processing and medical physics. Some of these collaborations began almost at the same time as the company, including collaborations with research laboratories, international leaders such as Inria in France (National Research Institute dedicated to digital sciences), the University of Chicago, and the EPFL (Swiss Federal Institute of Technology of Lausanne) in Switzerland.

A number of these collaborations continue today and are instrumental in establishing the innovation roadmap in our company.

More recently, we have signed collaboration agreements with recognized health institutes to support our scientific work on the use of advanced technologies in Artificial Intelligence for medical imaging (in connection with the iBiopsy® imaging phenomics platform). Most of these collaborations were signed in 2017 and in the first half of 2018 (Memorial Sloan Kettering Cancer Center (MSKCC), NYC, USA and the university hospital of Nice (CHU, Nice, France).

At the end of 2018, our main iBiopsy® development program concerns liver cancer (HCC, hepatocellular carcinoma).

During 2017 and 2018, other programs on prostate cancer, lung cancer and non-alcoholic steatohepatitis (NASH) were presented at major scientific and medical conferences.

From a technological point of view, since 2016 we have been working with Microsoft on our cloud-based iBiopsy® platform (see below).

Addressing the entire value chain of medical imaging

Until 2011, Median had positioned itself solely in the patient care market, with its portfolio of applications for the radiological routine in oncology imaging, LMS (Lesion Management Solution).

In 2011, we expanded our medical image management solutions and services to oncology clinical trials, targeting biopharmaceutical companies involved in Phase I-III clinical trials in oncology through our iSee® product.

Whether in the patient care market, or in the clinical trials market, we have grown through a sales strategy that combines both the direct and the indirect models, relying on a partnership and collaborative approach for our commercial development. Median has thus partnered with OEMs (Original Equipment Manufacturers) and PACS (Picture Archiving and Communication Systems) manufacturers in the patient care market and with global CROs (Contract Research Organizations) in the clinical trials market (IQVIA (previously Quintiles) and Syneos (born from the merger between inVentiv Health and INC Research), among others).

Today, turnover generated by the company is related to our imaging CRO activity for oncology clinical trials solely.

In 2016, Median began to develop a disruptive imaging platform based on the extraction of phenotypes contained in medical images. The imaging phenotypes allow to identify the signatures of the diseases—their fingerprints, so to speak. This next-generation imaging platform named iBiopsy® (Acronym for Imaging BIOmarker Phenotyping System) capitalizes on the most innovative Artificial Intelligence and Machine Learning technologies. iBiopsy® combines the most advanced technologies in medical image understanding and machine learning to extract powerful visual signatures, forming the basis for specific phenotyping of cancers and tumor microenvironments. These phenotypes extracted noninvasively from images obtained via various modalities (Scanner, MRI ...), allow to inform clinical decisions for the diagnosis and the selection of therapeutic strategies adapted to patients. These approaches are also a central tool for therapeutic innovation and the development of new, more targeted drugs in the context of clinical trials led by biopharmaceutical companies. iBiopsy® is an innovative platform for predictive and precision medicine, to the benefits of patients and healthcare systems as well.

Since 2017, the research and development effort relating to iBiopsy® has been growing.

In 2018, in a global context where the use of Artificial Intelligence, Cloud Computing and Big Data in the field of health, and more particularly in the field of medical imaging, becomes paramount, unavoidable event, Median was able to crystallize and structure its growth strategy clearly around iBiopsy®.

Financial life

Since 2011, Median has been listed on the Euronext Growth market (previously Alternext Paris), ISIN FR0011049824, Memo ALMDT. The stock market data as well as the shareholding as of June 30, 2019 are given on page 8 of this report.

In 2018, our company received financial awards, including the Forbes 2018 Future 40 Award and a specific award from Forbes France in the "Health - Life Sciences" category. Median is also present in the Deloitte Technology Fast 500™ EMEA ranking for 2017 and the Financial Times' 2018 FT 1,000 ranking, which lists the 1,000 fastest growing European companies.

Median has also been labeled Pass French Tech Promotion 2018 and is a member of the BPI France Excellence Network.

B. History of the Group

Significant events in the development of the Group over the period 2002-2018

2002 - Median Technologies was founded in Sophia Antipolis, France. Up until 2007, Median enriched its technology, particularly by collaborating with technology institutes in medical imaging.

2007 - All developments achieved by the company are integrated into a portfolio of clinical applications, LMS (Lesion Management Solution). LMS applications are marketed in Europe and then in the U.S., after obtaining FDA authorizations (510K).

2011 - This is a pivotal year for Median Technologies. The company implements a new set of services dedicated to image management in oncology clinical trials. Solutions and services are based on the technological core of LMS applications.

2016 – The company initiates its R&D activities on imaging phenomics, integrating cutting edge Big Data and artificial intelligence technologies. The project is named iBiopsy®. Median inks a partnership with Microsoft France dealing with cloud aspects of the iBiopsy® platform.

The rebranding of the company carried out during 2016 leads to putting phenomic imaging front and center in the positioning of Median on its markets. In addition to changing its logo and completely overhauling its communication tools, Median Technologies chooses as its tagline, "The Imaging Phenomics Company®".

2016 sees the structuring of Median's US subsidiary, Median Technologies Inc. and recruitments to the company's executive committee.

2017 - Median expands through its US and Asian (Hong Kong) subsidiaries and continues to strengthen its executive team.

To meet the challenges of predictive and precision medicine, the company ramps up its R&D efforts on technology related aspects (AI) and scientific/clinical validation of its iBiopsy® research platform. Median inks its first clinical partnerships.

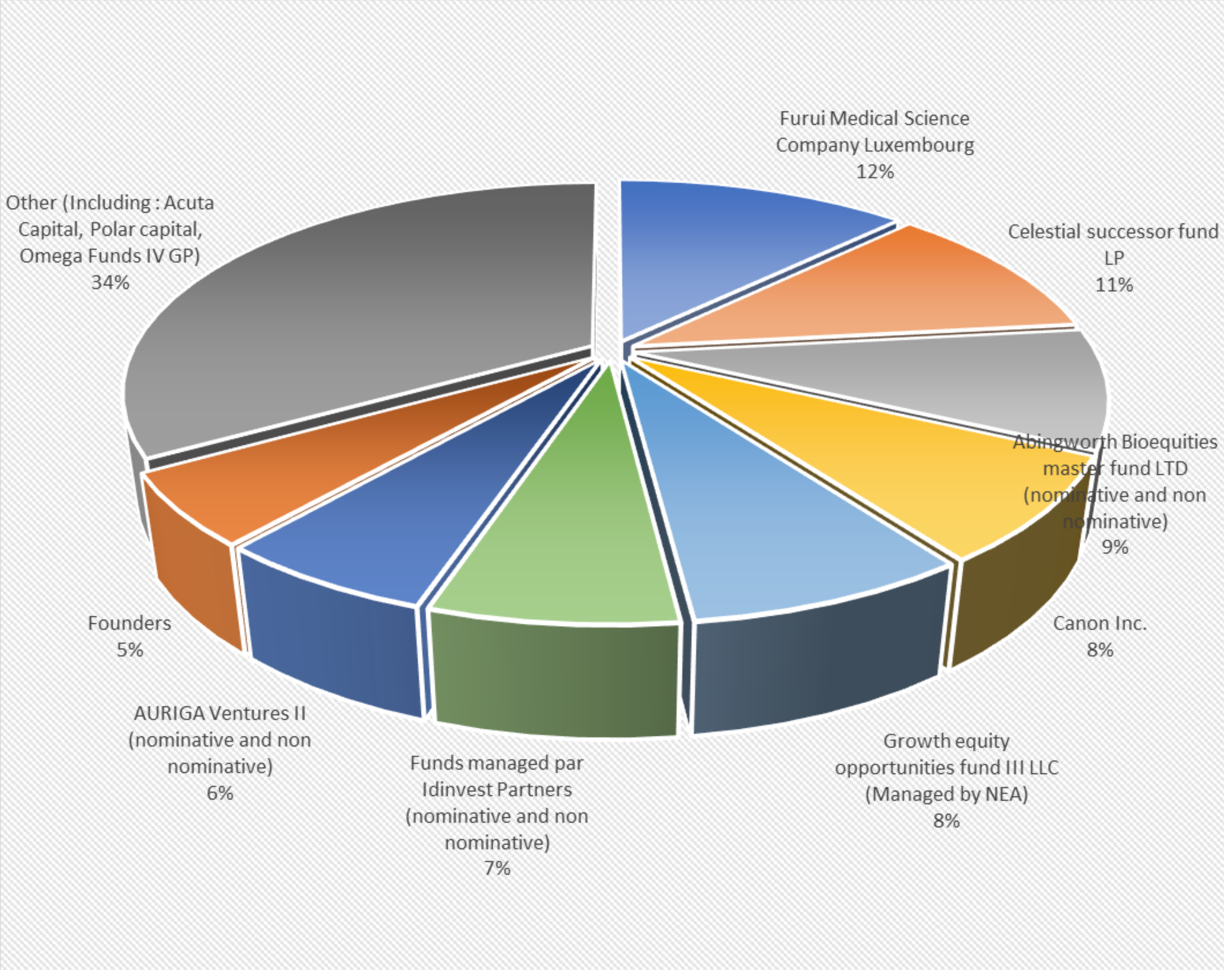
iBiopsy® will serve both the pharmaceutical market and the patient care market.

2018 - Median Technologies continues its deployment in China with the creation of a new subsidiary in Shanghai and the strengthening of its position for the imaging CRO activities for oncology trials. After a restructuring that affects teams in the US subsidiary and also the French part of the company with workforce reductions, Median reorganizes its activities around two business units: iCRO for imaging services in clinical trials, which is a mature commercial activity, and iBiopsy®, a platform around which Median now focuses its scientific and software development activities. Ibiopsy® is the foundation of innovation for the Company and presaged as its main vector of growth for the upcoming years.

C. Funds raised since the Company's stock exchange flotation

Date	Historical record	Number of shares	Share capital (in €)	Fund raising (in €)
	Share capital prior to listing	**4,349,482**	**217,474.10 €**	
Year 2011	- Capital increase in cash (Following this capital increase, the Company's shares were admitted on the NYSE Alternext in Paris according to the principles of a direct listing with a reference price of €8.05 per share); - Shares issued following the exercice of founder's share warrants; - Subscription of new shares in the company by Canon Inc. (15%); - The Company issued **1 B preference share**.	**1,468,336**	**73,416.80 €**	**12,012,675.05 €**
Year 2012	- Shares issued following the exercice of founder's share warrants; - Two Mutual Funds for Innovation managed by OTC Asset Management subscribed new shares.	**84,500**	**4,225.00 €**	**821,200.00 €**
Year 2013	- Six Mutual Funds for Innovation were signed totaling 132,132 new shares at €10.60 per share.	**132,132**	**6,606.60 €**	**1,400,599.20 €**
Year 2014	- Capital increase in cash and conversion of the two current accounts mentioned through the issue of 2,222,222 shares with attached equity warrants priced at €9 per share, of which €0.05 is nominal value and €8.95 share premium; - **E Preference shares** issued following the exercice of founder's share warrants.	**2,226,642**	**111,332.10 €**	**20,018,562.00 €**
Year 2015	- Capital increase via private placement with shareholders' preferential subscription rights waived for a total of €19,800,000, or 1,650,000 shares for a subscription price of €12.00 each, including a share premium of €11.95. The completion of the capital increase was recorded on July 15, 2015. - Shares issued following the exercice of founder's share warrants; - **E Preference shares** issued following the exercice of founder's share warrants; - Shares issued following the exercice of BSA.	**1,754,325**	**87,716.25 €**	**20,667,943.50 €**
Year 2016	- Capital increase in cash through the issue of 1,507,692 shares with attached equity warrants priced at €13 per share, of which €0.05 is nominal value and €12.95 share premium; - Shares issued following the exercice of founder's share warrants; - **E Preference shares** issued following the exercice of founder's share warrants; - Shares issued following the exercice of BSA.	**1,635,363**	**81,768.15 €**	**20,629,364.39 €**
Year 2017	- Shares issued following the exercice of founder's share warrants; - **E Preference shares** issued following the exercice of founder's share warrants; - Shares issued following the exercice of BSA; - Shares issued following the exercice of Free Shares.	**324,123**	**16,206.15 €**	**1,313,963.50 €**
10/9/2018	- The Board of Directors of October 9th, 2018 recorded the issue of 152,522 new shares, following the exercise of 152,522 free Shares. These shares were issued at a €0.05 of nominal per share by taking on the special reserve.	**152,522**	**7,626.10 €**	**- €**
	Share capital as of June 30, 2019	**12,127,425**	**606,371.25 €**	

D. Shareholding structure as of June 30, 2019



E. Members of the Board of Directors

Our Board of directors provides key expertise in financial and strategic industrial areas. It is headed by Oran MUDUROGLU as Chairman.

Oran MUDUROGLU – Chairman of the Board of Directors

Oran Muduroglu is Chairman of the Board of Directors. Oran is a recognized leader in healthcare technology successfully building solutions that improve the quality of, and access to healthcare information. He has over 25 years of healthcare industry experience. Oran Muduroglu joined Verily 2017-2018, as Business Leader for the Health Platform activities of the company. Prior to joining Verily, Oran was the CEO of Medicalis, which was acquired by Siemens in 2017. Prior to joining Medicalis, Oran was the CEO of Health Informatics at Philips Medical Systems. Prior to joining Philips Medical Systems, he was the CEO of Stentor, a company he co-founded in 1998, which was acquired by Philips in 2005. In the early 1990s, he served as vice president of sales and marketing at Cemax, an early pioneer in image management and advanced visualization, and prior to that, he was a senior product manager at Toshiba Medical. Oran received his Bachelor of Science Hons, in Engineering, from King's College London.

Fredrik BRAG – Chief Executive Officer and Director

Fredrik BRAG is Median's Chief Executive Officer and Director. He co-founded the company in 2002 and has contributed his many years of expertise in business development, fundraising and the IPO of technology companies. He previously served as Vice Chairman of HealthCenter/Focus Imaging, where he gained extensive experience in the field of specialized medical imaging and information and communication technologies. He is a graduate of the Stockholm School of Economics.

Tim HAINES - Director

Tim HAINES is a managing partner at Abingworth and has over 25 years of international management experience in public and private life sciences companies. Tim is a board member of several companies in the Abingworth portfolio including Astex, Fovea, Lombard Medical, Median Technologies, Pixium Vision, PowderMed, Proteon Therapeutics, Sientra and Stanmore Implants. Prior to joining Abingworth in 2005, he served as managing director of Astex, one of Abingworth's portfolio companies.
Tim was part of the Astex team for 5 years; his contribution has been key to establishing Astex as one of the leading biotechnology companies in the UK. Prior to joining Astex, Tim was managing director of two divisions of Datascope Corp., a listed medical technology company. Prior to Datascope, he held management positions in several companies in the United States and Europe, was managing director of Thackray Inc. and Baxter UK. Tim holds a BSc from the University of Exeter and an MBA from INSEAD.

Otello STAMPACCHIA - Director

With a PhD in Molecular Biology from the University of Geneva (Switzerland) and a PhD in Biotechnology, **Otello Stampacchia** contributed to the start-up of Index Securities' (now Index Ventures) health investment activities. He later joined the Corporate Finance and M&A team at Goldman Sachs (London and NY offices) and was portfolio manager of Lombard Odier Immunology Fund, a $3 billion investment fund targeting public and private health care companies around the world. Otello was later head of direct investment in life sciences at AlpInvest Partners, one of the largest private equity managers in the world, where he also contributed to the Due Diligence of fund-of-funds investments in health. Otello has been associate with Omega Funds since 2004.

Kapil DHINGRA - Director

Kapil Dhingra leads KAPital Consulting, a health consulting company he founded. Dr. Dhingra is also a member of the board of several life sciences companies, including Advanced Accelerator Applications, Exosome Diagnostics Inc., Autolus, and Five Prime, Inc. In the past, he has served on the board of directors of companies such as Biovex, Micromet, Algeta and YM Biosciences which were subsequently acquired by major pharmaceutical companies. Before joining Advanced Accelerator Applications, Dr. Dhingra worked for over 25 years in the field of research and development in oncology, including 9 years at Hoffman-La Roche where he held several positions including Vice-President, Director of Strategy for Oncology and Director of Clinical Development in Oncology**.** Prior to joining Hoffman-La Roche, he was Senior Clinical Research Physician at Eli Lilly. Before starting his career in the industry, Dr. Dhingra, in addition to being a physician, worked at MD Anderson Cancer Center (Texas) where he spent 8 years pursuing a career in clinical and translational research, specializing in internal medicine and medical oncology. Dr. Dhingra holds a MB, BS degree (equivalent to a US MD degree) from the All India Institute of Medical Sciences in New Delhi, India, followed by an internship in internal medicine at Lincoln Medical and Mental Health Center, New York City, New York and New York Medical College, Valhalla, New York. He has been Chief of Clinical Hematology/Oncology at Emory University School of Medicine, Atlanta, Georgia.

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F. History of the option plans for share subscription

Summary Table

Date of the General Meeting	Number of authorised securities	Grant date of securities	Number of securities allocated	Exercise limit date	Number of securities valid not exercised 12/31/2018	Number of securities granted in 2019	Number of securities cancelled non subscribed on 2019	Number of securities exercised	Number of securities valid not exercised as of June 30, 2019	Number of corresponding shares	Exercise price per share	Potential increase in capital (nominal)
3/10/2009	186,256	40,318	170,000	43,533	30,000	-	30,000	-	-	-	6.50	-
12/7/2009	1,061,309	40,154	1,061,309	43,805	402,582	-	402,582	-	-		4.20	-
4/1/2011	100,000	40,634	99,950	44,286	46,450	-	21,450	-	25,000	5,000	6.50	250
BSPCE	**1,347,565**		**1,331,259**		**479,032**	**-**	**454,032**	**-**	**25,000**	**5,000**		**250**
4/1/2011	100,000	40,634	5,000	-	-	-	-	-	-	-	-	-
		40,892	60,000	-	-	-	-	-	-	-	-	-
		41,095	34,000	43,650	11,000	-	-	-	11,000	11,000	10.00	550
4/5/2012	200,000	41,095	5,970	43,650	3,970	-	-	-	3,970	3,970	10.00	199
		41,550	10,000	44,106	10,000	-	10,000	-	-	-	10.60	-
6/26/2019	500,000	43,643	94,516	46,199	-	94,516	-	-	94,516	94,516	1.50	4,726
		43,643	257,500	46,199	-	257,500	-	-	257,500	257,500	1.50	12,875
		43,643	33,000	46,199	-	33,000	-	-	33,000	33,000	1.50	1,650
Stock Options	**800,000**		**499,986**		**24,970**	**385,016**	**10,000**	**-**	**399,986**	**399,986**		**19,999**
6/6/2013	60,000	41,431	60,000	44,196	60,000	-	-	-	60,000	60,000	8.04	3,000
6/6/2013	20,000	41,431	20,000	44,196	20,000	-	-	-	20,000	20,000	8.04	1,000
9/29/2014	2,222,222	41,912	2,222,222	44,468	1,888,890	-	-	-	1,888,890	944,445	9.00	47,222
5/28/2018	130,000	43,250	120,000	45,807	120,000		-	-	120,000	120,000	9.50	6,000
Warrants	**2,432,222**		**2,422,222**		**2,088,890**	**-**	**-**	**-**	**2,088,890**	**1,144,445**		**57,222**
Total	**4,579,787**		**4,253,467**		**2,592,892**	**385,016**	**464,032**	**-**	**2,513,876**	**1,549,431**		**77,472**

Share subscription warrant

Warrants	Historical record	Subscription Date	Expiry Date
"2013 warrants"	The General Meeting on June 6, 2013 decided to issue 80,000 securities giving access to capital having the characteristics of equity warrants (2013 warrants). Each 2013 warrant was subscribed at a price of €0.80. The funds for this subscription were released in the second half of 2013. The unit price of exercising the 2013 warrants is the average price during the 40 trading days preceding the June 6, 2013 General Meeting, or €8.04 per share. The life term of these warrants expires December 31, 2020.	**June-13**	**December-20**
"2014 warrants"	The General Meeting of September 29, 2014 decided that the issue of 2,222,222 warrants would result in a capital increase of up to €56k by the issue of 1,111,111 ordinary Company shares, with a nominal value of €0.05 each at the rate of two warrants exercised for one new share. The exercise price per share is €9 issue premium included. In July 2015, 111,110 warrants were exercised and resulted in 55,555 shares being issued. The Board of Directors of October 1st, 2015 recorded the increase of capital for a total of €2,777.75. In November 2017, 222,222 warrants were exercised and resulted in 111,111 shares being issued. The Board of Directors of December 13rd, 2017 recorded the increase of capital for a total of €5,555.55. It remains 1,888,890 warrants. The life term of these warrants expires September 2021.	**September-14**	**September-21**
"2018 warrants"	The General Meeting of May 28, 2018 decided to issue 130,000 securities giving access to capital with the characteristics of warrants (BSA-2018). 120,000 BSA-2018 were subscribed at the price of 1.51 euros. The funds relating to this subscription were released in June 2018. The unit exercise price of the 2018 warrants corresponds to 110% of the average of the 20 trading days preceding the date of issue of the warrants, namely 9.5%. € per share. These BSA have a life expiring on May 30, 2025.	**May-18**	**May-25**

3. HALF-YEAR ACTIVITY REPORT

A. Ordinary activities during the first half of 2019

The Group Activities

With a €4 M revenue, Median Technologies' sales went up 19.5% compared to the first half of 2018. All of the company's revenue over the period came from its iCRO business.

During the first six months of 2019, Median Technologies continued to invest in the development of its imaging phenomics platform, iBiopsy®, including by strengthening its AI and data science teams, in order to cement its position as a leader in the field.

The company's iCRO Business Unit continued to expand in China, where it opened an office to manage local operations, which resulted in a significant increase of Chinese orders throughout the half-year.

In Europe and the United States, orders recorded in the first half of 2019 exceeded the company's expectations for the entire year.

The company's operating expenses dropped sharply compared to last year, due to a -36% decrease in staff costs (-€4.1 M as of June 30, 2019 vs. -€6.5 M as of June 30, 2018) and a -37% decrease in external costs (-€3.5 M vs. -€5.6 M).

As a result, the operating loss was -€4.2 M. And the company's net result at the half-year went from -€9 M in 2018 to -€4.2 M in 2019.

As of June 30, 2019, Median had €7.9 M in cash and cash equivalents, and €4.9 M in total consolidated equity.

Net orders reached €11 M in the first half of the year, with an order backlog of €30.7 M, up €7 M compared to December 31, 2018. The extent of the order backlog makes us confident about the company's performance in the second half of 2019 and in 2020.

Median Technologies has pursued its negotiations of a €35 M loan with the European Investment Bank (EIB) during the third quarter of 2019, though the process was slowed down due to unforeseen EIB internal constrains. The loan, whose application process was announced on May 15th, is expected to be finalized by the end of the year. Structured in three tranches, it will enable Median Technologies to boost investments in its imaging phenomics platform, iBiopsy®, over the next few years. The company's current cash position would allow for the lending of the first tranche of €15 M in the first half of 2020.

Future Prospects

Current trends point to the company's positive results in the third quarter of 2019.

Business Unit iCRO

Our iCRO business is expected to keep growing steadily worldwide. In the United States, two phase III contracts recently signed with one of the world's top 3 pharmaceutical companies – a new customer – have opened promising opportunities for Median in the country.

Business Unit iBiopsy®

The development of iBiopsy® is progressing exactly as planned, including an upcoming demonstration at the annual convention of the RSNA (Radiological Society of North America) in early December.

B. The consolidated financial statements (IFRS Standards)

We remind you that even if there is no legal obligation, due to the commitments made under the terms of the "Subscription Agreements" entered into by the Company on August 19, 2014 ad July 2, 2015, the Company has prepared the consolidated financial statements in accordance with the IFRS standards. **It is on the basis of the consolidated financial statements that the half-year financial report is presented.**

C. Significant events that occurred since June 30, 2019

No events occurred between the closing date and the closing date of the accounts by the Board of Directors.

4. CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

The figures and information presented are now based on the Group's consolidated financial statements, voluntarily established in accordance with IFRS as adopted by the European Union.

A. Statement of Consolidated Financial Position

ASSETS (in thousands of euros)	Notes	6/30/2019	12/31/2018
Intangible assets	3	44	93
Tangible assets	4	1,711	556
Non-current financial assets		178	176
Other non-current assets		61	-
Total non-current assets		**1993**	**825**
Inventories		-	-
Trade and other receivables	5	2,868	2,050
Current financial assets	6	106	113
Other current assets	7	2,998	2,421
Cash and cash equivalents	8	7,930	12,739
Total current assets		**13,902**	**17,323**
TOTAL ASSETS		**15,896**	**18,148**

Liabilities (in thousands of euros)		6/30/2019	12/31/2018
Share capital	9	606	606
Share premiums	9	53,326	53,326
Consolidated reserves		(44,771)	(29,494)
Unrealized foreign exchange differences		(67)	(61)
Net result		(4,223)	(15,284)
Total shareholders' equity		**4,871**	**9,094**
Of which the group share		***4,871***	***9,094***
Long-term financial debts	12	965	-
Employee benefits liabilities	10	463	453
Deferred tax liabilities	13	313	312
Total non-current liabilities		**1,741**	**764**
Short-term financial debts	12	308	3
Trade and other payables	14	3,541	3,423
Liabilities on contracts	15	5,333	4,732
Current provisions	11	102	131
Total current liabilities		**9,284**	**8,290**
TOTAL LIABILITIES		**15,896**	**18,148**

B. Statement of Consolidated Net Results

Consolidated income statement	Notes	6/30/2019 (6 months)	6/30/2018 (6 months)
Revenue	16	4,011	3,358
Other income		30	-
Revenue from ordinary activities		**4,041**	**3,358**
Purchases consumed		(58)	(73)
External costs	18	(3,520)	(5,551)
Taxes		(169)	(150)
Staff costs	17	(4,124)	(6,492)
Allowances net of amortization, depreciation and provisions		(316)	(198)
Other operating expenses		(50)	8
Other operating income		4	11
Operating result		**(4,191)**	**(9,087)**
Cost of net financial debt		(14)	(3)
Other financial charges		(25)	(81)
Other investment income		26	211
Net financial result	**20**	**(12)**	**126**
Income tax (expense)	21	(20)	5
Net result		**(4,223)**	**(8,955)**
Net result, group share		(4,223)	(8,955)
Net result, non-controlling interests' share		-	-
Net result , Group share of basic and diluted earnings per share	**22**	**(0.35)**	**(0.75)**

C. Statement of Other Items of the Consolidated Total Results (OCI)

OTHER COMPREHENSIVE INCOME (In thousands of euros)	Notes	6/30/2019 (6 months)	6/30/2018 (6 months)
NET RESULT		**(4,223)**	**(8,955)**
Unrealized foreign exchange differences		(6)	(2)
Total items that may be reclassified		**(6)**	**(2)**
Actuarial gains and losses on defined benefits plans		(65)	(17)
Deferred taxes on actuarial gains and losses		16	5
Total items that will not be reclassified		**(49)**	**(13)**
OVERALL RESULT		**(4,278)**	**(8,970)**

D. Statement of Changes in Consolidated Equity

Group shareholders Equity (in thousands of euros)	Note	Share capital	Share premiums			Consolidated reserves				Translation reserves -Other comprehensive income	Consolidated result	Total
			Share issue premium	Equity warrants	Total share premiums	Treasury stock	Consolidated reserves	Other comprehensive income	Total consolidated reserves			
1/1/2018		**599**	**53,064**	**80**	**53,145**	**(157)**	**(11,277)**	**(92)**	**(11,525)**	**(75)**	**(17,206)**	**24,937**
Appropriation of the result prior period							(17,206)		(17,206)		17,206	
Capital increase	9			181	181							181
Attribution of equity warrants												
Change in unrealized foreign exchange differences										(2)		2
Variation in actuarial differences net of deferred taxes								(13)	(13)			(13)
Result for current period											(8,955)	(8,955)
Share-based payments							(8)		(8)			(8)
Treasury shares						(75)			(75)			(75)
Other reserves												
Set off the accumulated losses to the "share premium"												
6/30/2018		**599**	**53,064**	**261**	**53,326**	**(232)**	**(28,490)**	**(104)**	**(28,826)**	**(77)**	**(8,955)**	**16,066**
Appropriation of the result prior period												
Capital increase	9	8		1								8
Attribution of equity warrants												
Change in unrealized foreign exchange differences										16		16
Variation in actuarial differences net of deferred taxes								38	38			38
Result for current period											(6,329)	(6,329)
Share-based payments							(667)		(667)			(667)
Treasury shares						(37)			(37)			(37)
Other reserves												
Set off the accumulated losses to the "share premium"												
1/1/2019		**606**	**53,064**	**262**	**53,326**	**(269)**	**(29,158)**	**(67)**	**(29,494)**	**(61)**	**(15,284)**	**9,094**
Appropriation of the result prior period							(15,284)		(15,284)		15,284	
Capital increase	9											
Attribution of equity warrants												
Change in unrealized foreign exchange differences										(6)		(6)
Variation in actuarial differences net of deferred taxes								(49)	(49)			(49)
Result for current period											(4,223)	(4,223)
Share-based payments							44		44			44
Treasury shares						11			11			11
Other reserves												
Set off the accumulated losses to the "share premium"												
6/30/2019		**606**	**53,064**	**262**	**53,326**	**(258)**	**(44,399)**	**(115)**	**(44,772)**	**(67)**	**(4,223)**	**4,871**

E. Statement of Consolidated Cash Flow

Consolidated Statement of Cash Flows (In thousands of euros)	6/30/2019 (6 months)	12/31/2018 (12 months)	6/30/2018 (6 months)
CONSOLIDATED NET RESULT	**(4,223)**	**(15,284)**	**(8,955)**
Allowances net of amortization, depreciation and provisions	316	719	198
Payment based on shares	44	(675)	64
Gains and losses on disposals	29	3	-
Cost of net financial debt	-	-	-
Tax charge for the period , including deferred tax	17	(44)	(7)
OPERATING CASH FLOW	**(3,818)**	**(15,279)**	**(8,701)**
Changes in operating working capital requirement	**(732)**	**(362)**	**(1,046)**
Net cash flow from operating activities	**(4,550)**	**(15,643)**	**(9,747)**
Outflows on acquisitions of intangible assets	-	-	(28)
Outflows on acquisitions of tangible assets	(90)	(255)	(229)
Inflows on disposal of tangible and intangible assets	-	-	-
Outflows on acquisitions of financial assets	(15)	(152)	(123)
Inflows on disposal of financial assets	19	310	139
Net cash flow from investing activities	**(86)**	**(98)**	**(241)**
Capital increase or contributions	-	189	-
Contribution to the current account	-	-	181
Repayment of loans	(175)	-	-
Net cash flow from financing activities	**(175)**	**189**	**181**
Net change in cash and cash equivalents	**(4,809)**	**(15,551)**	**(9,807)**
Cash and cash equivalents at start of the period	**12,739**	**28,290**	**28,290**
Cash and cash equivalents at end of the period	**7,930**	**12,739**	**18,483**

F. Notes annexed to the financial statements drawn up in accordance with IFRS standards

NOTE 1 PRESENTATION OF THE ACTIVITY AND MAJOR EVENTS

1 – INFORMATION CONCERNING THE COMPANY AND ITS ACTIVITY

MEDIAN Technologies ("the Company") is a corporation having a board of directors founded in 2002 and domiciled in France. The Company's headquarters are located at Les Deux Arcs - 1800 route des Crêtes – 06560 Valbonne.

The main areas of activity for the Company and its subsidiary (together designated as "the Group") are the publishing of software and providing of services in the area of medical imaging in oncology. The Group develops and markets software solutions and offers services optimizing use of medical images for the diagnosis and follow-u of cancer patients.

The Company has been listed on the Paris EURONEXT GROWTH market (previously Alternext) since 2011.

2 – MAJOR EVENTS OF THE FIRST HALF OF 2019

The Board of Directors decided to adopt a new governance structure for Median aiming at dissociating the functions of Chairman of the Board of Directors and Chief Executive officer. As a result, on April 10th, 2019, Oran Muduroglu was appointed Chairman of the Board of Directors. Fredrik Brag will continue in his role as Chief Executive Officer of Median Technologies.

By separating the roles of Chairman of the Board of Directors and Chief Executive Officer, the new governance structure will allow Fredrik Brag to focus on deploying Median’s strategy to drive the Company to success under the Board of Directors’ guidance and supervision. Oran Muduroglu’s broad experience and knowledge of the medical imaging industry as well as his vision will be key to the success of Median Technologies’ strategy as regards the development, partnerships policy and general business activity for iBiopsy®, the Median’s imaging phenomics platform, plus the development of Median’s iCRO activity experiencing a strong growth.

In the first half of 2019, with the arrival of Dr. Nozha Boujemaa, Chief Science and Innovation Officer, Median continued its R & D investments for its iBiopsy® phenomic imaging platform, reorganized the Business Unit and significantly strengthened the team. scientist in the fields of Artificial Intelligence and Data Science, to consolidate his leadership in phenomic imaging.

The iCRO Business Unit continued to expand in China with the establishment of a structure for local project management and operations, enabling a significant increase in order intake over the semester. For Europe and the United States, order intake in the first half of the year is above the outlook for orders initially planned for the full year of 2019.

NOTE 2 ACCOUNTING PRINCIPLES, EVALUATION METHODS, IFRS OPTION APPLIED

1 – PRINCIPLES FOR PREPARATION OF THE SUMMARY INTERIM FINANCIAL STATEMENTS

The Group's consolidated financial statements for the year ended June 30, 2019 were voluntarily prepared in accordance with the IAS/IFRS international accounting standards applicable at that date, as approved by the European Union, for all periods reported.

The IFRS adopted by the European Union on June 30, 2019 is available in the Interpretations and IAS/IFRS standards section on the following website:

(http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm)

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

They do not include all the information necessary for a complete set of financial statements under IFRS.

They include, however, a selection of notes explaining significant events and transactions with a view to understanding the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2018.

The euro was selected as the Group's presentation currency. Unless otherwise indicated, the condensed interim financial statements are presented in thousands of euros, all values being rounded to the nearest thousand. The nature of the Group's business is not subject to seasonality.

These condensed consolidated financial statements were prepared under the responsibility of the Board of Directors on October 1, 2019.

2 – MAIN ACCOUNTING METHODS

The accounting policies applied in the condensed interim financial statements are identical to those used by the Group in the IFRS consolidated financial statements for the year ended 31 December 2018, with the exception of the standards, amendments and interpretations applicable to the Group for the first time on January 1, 2019:

<u>Principal standards, amendments and interpretations obligatory on January 1, 2019</u>

- ✓ IFRS 16 – Leasing Agreements;
- ✓ Amendments of the IFRS 9 – Early repayment clause providing for negative compensation;
- ✓ Interpretation IFRIC 23 – Uncertainty with respect to Tax Treatment;
- ✓ Addendum of IAS 19 – Amendment to reduce or liquidate plans;
- ✓ Annual improvement of the IFRS – (Cycle 2015-2017);
- ✓ Amendments of the IAS 28 – Long-term interest in associates and joint ventures.

The impact of the adoption of IFRS 16 as of January 1, 2019 is described in the following note on the application of IFRS 16: "Lease". The adoption of the other new mandatory standards / amendments / interpretations listed above had no impact on the Group's financial statements.

Main standards, amendments and interpretations published by the IASB applicable in advance to January 1, 2019 within the European Union (subject to their approval)

The Group did not early apply these standards, amendments and interpretations in the consolidated financial statements as of June 30, 2019.

- ✓ Amendments to the IAS 1 et IAS 8 – Definition of "Material";
- ✓ Amendments to references to the conceptual framework in the standards.

Main standards, amendments and interpretations published by the IASB not yet applicable on January 1, 2019 in the European Union

In 2019, the main published standards not yet binding and not yet approved by the European Union are:

- ✓ Amendments to IFRS 10 et IAS 28 – Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures;
- ✓ Amendments to IFRS 3 – Definition of a business.

The impact on the consolidated financial statements of these standards, amendments and interpretations published by the IASB and not yet adopted by the European Union or applicable in advance within the European Union is being assessed by Management.

IFRS 16: "LEASING AGREEMENT"

IFRS 16 "Leasing Agreement", mandatory as of January 1, 2019, replaces existing IAS 17. This standard removes the distinction between operating leases and finance leases. It introduces for the lessee a single model of accounting on the balance sheet of leases. The lessee recognizes an asset "Usage Right" which represents his right to use the underlying asset, and a rent debt for his obligation to pay the rent.

The Group decided to apply the simplified retrospective method when this standard was first applied on January 1, 2019 and therefore did not restate the comparative information for the 2018 financial year, as allowed by the specific transition provisions, provided by the standard. The cumulative effect of the first application of IFRS 16 is recognized in the opening balance sheet as at January 1, 2019.

The Group has decided to apply the recognition exemption in the balance sheet of short-term contracts (up to 12 months) and contracts for low-value assets (mainly consisting of leases of small computer equipment). Rents paid under these contracts are expensed on a straight-line basis over the lease term.

The Group analyzed commitments that could potentially fulfill the definition of a lease (or a lease component within a contract). In this context, a limited number of contracts have been identified as entering the scope of IFRS 16. The main contracts covered by the standard are real estate leases and vehicle leases.

The application of IFRS 16 led the Group to recognize a lease debt of €1,446 K as of January 1, 2019. It represents the present value of the remaining rents due, discounted using the marginal debt ratio. the lessee as of January 1, 2019. The average rate is 1.35%.

The differences between the operating lease commitments presented in application of IAS 17 as of December 31, 2018 and the estimated lease liability under IFRS 16 relating to these same contracts as at January 1, 2019 can be explained as follows:

Rental Debt (In thousands of euros)	**1/01/2019**
Rental agreement (as lessee)	**1,331**
Contracts not accounted under the IFRS 16 exemption	(6)
Effects related to optional periods not taken into account in off-balance sheet commitments	191
Effects of discount	(70)
Estimated discounted rental debt under IFRS 16	**1,446**

At June 30, 2019, the rental debt amounted to €1,273 K and the net value of property, plant and equipment for the Usage right amounted to €1,267 K.

In addition to these leases, the Group recognized amortization and interest expense in lieu of rent expense associated with operating leases. In the first half of 2019, €178 K of amortization and €10 K of interest expense were recognized in respect of these leases.

The Group presents the asset "Usage right" in the item of property, plant and equipment, on the same line as the underlying assets of the same nature of which it has full ownership.

The table below summarizes the book values of the "Usage right" assets as of January 1, 2019 and June 30, 2019.

Assets related to the Usage right (In thousands of euros)	**Gross Value**	**Depreciation and amortization**	**Net value**	**Gross Value**	**Depreciation and amortization**	**Net value**
		6/30/2019			**1/1/2019**	
Construction, Planning	1,315	(131)	1,184	1,315		1,315
Other tangible assets	131	(47)	84	131	-	131
Total	**1,446**	**(178)**	**1,267**	**1,446**	**-**	**1,446**

The Group presents the lease debts in the "Financial debts" item of the consolidated statement of financial position.

The table below summarizes the book values of the lease debts as of January 1, 2019 and June 30, 2019.

Debts related to the usage right of the assets (In thousands of euros)	**6/30/2019**	**1/1/2019**	**Variation**
Non current liabilities	965	1,095	(130)
Current liabilities	308	351	(43)
Total	**1,273**	**1,446**	**(173)**

3 – USE OF JUDGMENTS AND ESTIMATES

So as to prepare the interim financial statements in accordance with the IFRS, estimates, judgments and assumptions have been made by the Group. They could affect the amounts submitted for asset and liability items, the liabilities possible on the date the financial statements were drawn up and the amounts shown for financial year income and expenses.

The significant judgments exercised by Management so as to apply the Group's accounting methods and the principal sources of uncertainty concerning estimates are identical to those having affected the consolidated financial statements of the fiscal year ended December 31, 2018, with the exception of significant new judgments related to the accounting treatment of leases in the application of IFRS 16, described in the previous note.

4 – CONSOLIDATION PRINCIPLES AND METHODS

During the first half of 2019, the Chinese subsidiary is included in the scope of the group. This subsidiary was created by the group in 2018, and no goodwill has been recognized since the creation of this company.

The scope of the Group as of June 30, 2019 is as follows:

Name	Country	Registered office	Siret No (business identification number)	Consolidation method	% held
Median Technologies SA (parent)	**France**	**France**	**44367630900042**	**Parent**	**Parent**
Median Technologies Inc. (subsidiary)	United States	United States		Full consolidation	100%
Median Medical Technology (Shanghai) Co., Ltd. (Subsidiary)	China	Shanghai		Full consolidation	100%
MedianTechnologies Hong-Kong Ltd. (subsidiary)	Hong-Kong	Hong-Kong		Full consolidation	100%

The Chinese subsidiary was not consolidated in 2018. This company had no activity and the group did not pay the corresponding capital. Equity Securities that were recognized in the account of Median Technologies SA were eliminated with the debt that was recognized in return. The Chinese subsidiary's activity began in April 2019.

NOTE 3 INTANGIBLE ASSETS

Intangible Assets (In thousands of euuros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	6/30/2019			12/31/2018		
Patents, licenses, brands	1,154	(1,111)	44	1,154	1,061	93
Other intangible assets	-	-	-	-	-	-
Total	**1,154**	**(1,111)**	**44**	**1,154**	**1,061**	**93**

Intangible assets consist mainly of software licenses obtained. Changes in balances over the period are analyzed as follows:

Intangible Assets (In thousands of euros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	6/30/2019			12/31/2018		
Opening Balance	**1,154**	**(1,061)**	**93**	**1,186**	**(950)**	**236**
Additions	-	-	-	-	-	-
Terminated, discarded	-	-	-	(27)	-	(27)
Changes in depreciation and amortization	-	(50)	(50)	-	(116)	(116)
Effects of exchange fluctuations	-	-	-	(5)	5	-
Closing balance	**1,154**	**(1,111)**	**43**	**1,154**	**(1,061)**	**93**

NOTE 4 TANGIBLE ASSETS

Tangible Assets (In thousands of euuros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	6/30/2019			12/31/2018		
Construction, planning	94	(69)	25	94	(67)	27
Assets related to the Usage right - Constructions, planning	1,315	(131)	1,184	-	-	-
Other tangible assets	1,448	(1,029)	419	1,494	(966)	529
Assets related to the Usage right - Other tangible assets	131	(47)	83	-	-	-
Total	**2,988**	**(1,277)**	**1,711**	**1,588**	**(1,033)**	**556**

The usage right activated on the Group's real estate leases amounts to €1,315 K gross and represents the significant impact of the application of IFRS 16 as of January 1, 2019. It mainly concerns the lease of rental properties in Valbonne. Assets related to the Usage right of the other tangible assets amount in gross value to €131 K, and mainly related to the vehicles.

Changes in balances over the period are analyzed as follows:

Tangible Assets (In thousands of euuros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	6/30/2019			12/31/2018		
Opening Balance	**3,034**	**(1,033)**	**2,001**	**1,294**	**(793)**	**500**
Additions	71	-	71	347	-	347
Terminated, discarded	(119)	51	(68)	(58)	-	(58)
Other mouvment	-	-	-	-	-	-
Changes in depreciation and amortization	-	(294)	(294)	-	(238)	(238)
Effects of exchange fluctuations	2	(1)	1	5	(3)	2
Closing balance	**2,988**	**(1,277)**	**1,711**	**1,588**	**(1,033)**	**556**

Equipment purchased over the period essentially involve computer equipment made available to company colleagues.

The change in the usage right recognized in accordance with IFRS 16 is as follows:

Assets related to the Usage Right (In thousands of euros)	Gross Value	Depreciation and amortization	Net value
1/1/2019	1,446	-	1,446
Additions	-	-	-
Terminated, discarded	-	-	-
Other mouvment	-	-	-
Changes in depreciation and amortization	-	(178)	(178)
Effects of exchange fluctuations	-	-	-
6/30/2019	**1,446**	**(178)**	**1,267**

NOTE 5 TRADE RECEIVABLES AND OTHER CLAIMS

Trade receivables and other claims are analyzed as follows:

Trade receivables (In thousands of euros)	6/30/2019	12/31/2018	Variation
Customers	3,138	2,319	820
Other receivables	(270)	(268)	(2)
Total	**2,868**	**2,049**	**818**

The fair value of the trade receivables and other claims is equivalent to the book value, taking account of the due date of less than one year.

The increase in trade receivables as at June 30, 2019 is due to:

- ✓ Payment delays granted to customers, which are generally longer;
- ✓ Many contracts signed in the first half of the year for which large down payments have not yet been recovered;
- ✓ The increase in activity in the first half of 2019.

The trade receivables due date listing at June 30, 2019 shows the following:

Trade receivables (In thousands of euros)		Total	Not yet due	1 to 30 days	30 to 60 days	60 to 90 days
Customers	*6/30/2019*	**3,138**	1,228	629	454	828

The trade receivables due date listing at December 31, 2018 shows the following:

Trade receivables (In thousands of euros)		Total	Not yet due	1 to 30 days	30 to 60 days	60 to 90 days
Customers	*12/31/2018*	**2,319**	601	482	229	1007

NOTE 6 CURRENT FINANCIAL ASSETS

Current financial assets are analyzed as follows:

Current financial assets (In thousands of euros)	6/30/2019	12/31/2018	Variation
Cash mobilized as part of the liquidity contract	105	94	11
Guarantees and deposits	2	19	(17)
Total	**106**	**113**	**(6)**

In May 2011, the Group set up a share management agreement with a certified facilitator during its IPO for a maximum of €250 K. The purpose of this agreement is to maintain an orderly market. This mobilized cash is immediately available in case the service provider's contract is terminated. The cash has a maturity of up to 1 year.

In December 2017, an additional contribution of €150 K was made, bringing the total amount provided under the liquidity contract to €400 K.

NOTE 7 OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

Other current assets (In thousands of euros)	6/30/2019	12/31/2018	Variation
Research tax credit	2,222	1,592	630
Prepaid expenses	407	437	(30)
Other receivables	369	392	(23)
Total	**2,998**	**2,421**	**577**

The receivable for the research and development tax credit as of June 30, 2019 corresponds to:

- ✓ The proceeds from the research and development tax credit accounted for as June 30, 2019 related to expenses of the first half of 2019 in the amount of €630 K.
- ✓ The proceeds of the research and development tax credit related to expenses for the financial year 2018 in the amount of €1,592 K. It was reimbursed to the company at the beginning of July 2019.

The Company has benefited from the research tax credit since it was founded, and this claim has been subject to reimbursement by the tax authorities during the subsequent period.

The other receivables item mainly corresponds to tax and social security claims and more particularly to VAT receivables.

NOTE 8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the closing are broken down as follows:

Cash and cash equivalents (In thousands of euros)	6/30/2019	12/31/2018	Variation
Short term deposits	-	-	-
Liquid assets	7,930	12,739	(4,809)
Total	**7,930**	**12,739**	**(4,809)**

Distribution of the balance by currency is as follows:

Cash and cash equivalents (In thousands of euros)	6/30/2019	12/31/2018
EUROS	6,459	12,105
USD	1,416	604
GBP	27	24
HKD	5	5
CNY	22	-
Total	**7,930**	**12,739**

The reconciliation between the amount of cash and cash equivalents appearing on the balance sheet and the amount of net cash flow statement is as follows:

Net Cash and Cash flow (En milliers d'euros)	6/30/2019	12/31/2018	Variation
Cash and cash equivalents	7,930	12,739	(4,809)
Total	**7,930**	**12,739**	**(4,809)**

NOTE 9 EQUITY

1 – CAPITAL AND ISSURANCE PREMIUMS

As of June 30, 2019, the Company's capital was composed of 12,127,425 shares divided between:

- ✓ 12,104,224 **ordinary shares** having a value of €0.05 each;
- ✓ 23,200 **class E preferred shares** having a value of €0.05 each;
- ✓ 1 **class B preferred share** having a value of €0.05 each.

The class E preferred shares are shares lacking voting rights but benefit from the same financial rights as the ordinary shares.

The class B preferred share is reserved for an industrial investor shareholder and gives the right to be represented at any time by a director on the Company's board of directors. It will automatically be converted into one ordinary share if certain statutory clauses are fulfilled.

No changes occurred in the first half of 2019.

2 – EQUITY

In connection with the liquidity contract put in place following the listing on the stock market, the company has held treasury shares and realizes capital gains or losses on transfers and buybacks of these shares. These shares as well as the effect of capital gains and losses realized on the transfer and buyback of these treasury shares are carried by decreasing consolidated reserves.

As of December 31, 2018, the impact of the cancellation of 46,634 of its treasury shares, decreasing the consolidated reserves, came to the amount of – €269 K. The amount deducted from the reserve of treasury shares considers the value of the shares as well as the gains or losses realized from the fluctuations affecting these treasury shares.

These treasury shares are not intended to be allocated to employees in connection with a plan for allocating bonus shares and are not subject to regulation of stock market price in connection with the liquidity contract.

As of June 30, 2019, the impact of the cancellation of 43,401 of its treasury shares, decreasing the consolidated reserves, came to the amount of – €259 K. The amount deducted from the reserve of treasury shares takes into account the value of the shares as well as the gains or losses realized from the fluctuations affecting these treasury shares.

As of June 30, 2019, the company did not hold any other uncanceled treasury shares.

3 – OPTIONS FOR SUBSCRIBING TO SHARES

Using the authorization conferred by several General Meetings, the Board of Directors has issued several options plans described in section "2.f History of the options plans for subscribing to shares". The impact on the statement of comprehensive income of share-based payments is presented in Note 18. The financial instruments concerned by the share-based payment are the stock option plans granted in June 2019.

NOTE 10 PERSONNEL COMMITMENTS

1 – DEFINED RETIREMENT BENEFITS

Personnel commitments will be composed exclusively benefits subsequent to employment. In France, the Company contributes to the national pension plan and its commitments to employees in terms of pension are limited to a one-time benefit based on seniority and paid when the employee reaches retirement age. This retirement benefit is determined for each employee based on his seniority and his last expected salary. A provision has been recorded for this obligation under the defined benefits plan. The Company does not have any asset covering the defined benefit plans. The amounts recorded in the balance sheet for the defined benefits commitments are the following:

Employee benefits (In thousands of euros)	6/30/2019	12/31/2018	Variation
Provision for employee benefits	463	453	10
Total	**463**	**453**	**10**

a) Changes in provisions existing in the balance sheet

The changes in these commitments may be analyzed as follows:

Employee benefits (In thousands of euros)	6/30/2019	12/31/2018
Opening provision	**453**	**432**
Current service cost	(59)	48
Cost of interest	4	6
Charge in the year	**(55)**	**54**
Benefits paid	-	-
Net actuarial (gains) / losses	65	(33)
Closing provision	**463**	**453**

b) Actuarial assumptions

The main actuarial assumptions are the following:

Employee benefits (Actuarial assumptions)	6/30/2019	12/31/2018
Discount rate	1.10%	1.60%
Inflation rate	2.00%	2.00%
Salary increase rate	0.50%	0.50%
Social security costs	46%	46%
Mortality table	INSEE T68-FM 2008-2010	INSEE T68-FM 2008-2010
Retirement ages	Between 62 et 67 years	Between 62 et 67 years
Basis of retirement	Voluntary retirement	Voluntary retirement

Assumptions relating to future mortality rates are based on data from statistics published in France. An analysis of the sensitivities was carried out for this system and on the key assumption of the discount rate.

A change in this rate applied to the financial year considered for this system would have the following impact for the gross commitment of the Group under the defined benefit pension plan:

Sensitivity to the discount rate (In thousands of euros)	**6/30/2019**
Actuarial debt at 0.6%	519
Actuarial debt at 1,10%	**463**
Actuarial debt at 1.6%	416
Estimation duration (years)	**22**

2 – PENSIONS HAVING DEFINED CONTRIBUTIONS

In the United States, the Median Technology Inc. subsidiary contributes to a defined contribution plan that limit its commitment to the contributions paid. The amount of expenses reported for the first half of 2019 is not significant.

NOTE 11 CURRENT PROVISIONS

The current provisions listed in the consolidated balance sheet come to the following amounts:

Current Provisions (In thousands of euros)	**6/30/2019**	**12/31/2018**	**Variation**
Current Provisions	102	131	(29)
Total	**102**	**131**	**(29)**

Changes in provision balances are analyzed as follows:

Current Provisions (In thousands of euros)	**12/31/2018**	**Provisions**	**Used**	**recovered**	**6/30/2019**
Current Provisions for Risks	131	44	27	45	102
Total	**131**	**44**	**27**	**45**	**102**

Provisions for litigation: the provision for risk for the 2018 financial year was taken over the financial year. A new provision was booked as a result of new risks arising during the period as well as a provision for expenses relating to the costs granted to employees dismissed for economic reasons as part of their conversion.

NOTE 12 LONG- AND SHORT-TERM FINANCIAL LIABILITIES

As of June 30, 2019, long and short-term financial liabilities were broken down as follows:

Financial liabilities (In thousands of euros)	**6/30/2019**	**12/31/2018**	**Variation**
Long-term financial liabilities	965	-	965
Short-term financial liabilities	308	3	305
Total	**1,273**	**3**	**1,270**

The composition of the long-term financial liabilities are as follows:

Long-Term Financial liabilities (In thousands of euros)	**6/30/2019**	**12/31/2018**	**Variation**
Debts related to the Usage right of the assets	965	-	965
Total	**965**	**-**	**965**

The composition of the short-term financial liabilities are as follows:

Short-Term Financial liabilities (In thousands of euros)	6/30/2019	12/31/2018	Variation
Debts related to the Usage right of the assets	306	-	306
Bank overdrafts	2	3	(1)
Total	**308**	**3**	**305**

NOTE 13 DEFERRED TAX LIABILITIES

Net deferred tax liabilities are analyzed as follows:

Origin of deferred tax - net (In thousands of euros)	6/30/2019	12/31/2018	Variation
- charges temporarily non-deductible	-	-	-
- tax losses carried forward (2)	676	675	1
- consolidation adjustments of the following:	-	-	
. Retirement and pension	116	113	3
. Intragroup provisions (1)	(1,105)	(1,099)	(6)
. Usage right of the assets	1	-	1
Total (3)	**(313)**	**(312)**	**(1)**

(1) A deferred tax liability was observed in the provision was recognized the Company's accounts regarding the advances the Company granted to its subsidiaries. The provision for these advances is fiscally deductible in the company accounts. These advances came to €4,421 K as of June 30, 2019 (€4,398 K as of December 31, 2018).

(2) As of June 30, 2019, a deferred tax asset for the deficits carried forward of €676 K (€675 K as of December 31, 2018) was observed on the deferred tax liabilities, taking into account, however, the French tax legislation, which caps the charging of deficits carried forward at 50% of taxable profits exceeding 1 million euros. The Group has not selected all the tax deficits able to be indefinitely carried over in France. The balance of the tax deficits not selected as of June 30, 2019 came to the amount of €97,906 K (€93,789 K as of December 31, 2018).

(3) The deferred tax assets and liabilities were observed for the Company alone, the deferred tax assets and liabilities have been offset.

The changes in deferred taxes were made up as follows:

Deffered tax - net (In thousands of euros)	6/30/2019	12/31/2018
Opening balance	**(312)**	**(347)**
Deferred tax expense in profit or loss	(17)	44
Tax expense deferred in other comprehensive income items	16	(8)
Closing balance	**(313)**	**(312)**

The deferred taxes on income and other elements of the total results (OCI) were therefore made up of:

Deffered tax - net (In thousands of euros)	30/06/2019		31/12/2018	
	Résultat net	OCI	Résultat net	OCI
- charges temporarily non-deductible	-	-	-	-
- tax losses carried forward	4	-	(73)	-
- consolidation adjustments of :	-	-	-	-
. Retirement and pension	(14)	16	1	(8)
. Intragroup provisions	(5)	-	117	-
. Miscellaneous	(2)	-	-	-
Total	**(17)**	**16**	**44**	**(8)**

NOTE 14 ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

The breakdown by nature is the following:

Trade and others payables (In thousands of euros)	6/30/2019	12/31/2018	Variation
Supplier accounts payable	1,318	1,002	316
Tax liabilities	97	12	85
Social security liabilities (1)	1,851	2,202	(351)
Supplier account payable on assets	-	20	(20)
Other payables	275	187	88
Total	**3,541**	**3,423**	**116**

All the accounts payable and other debts have a due date of less than one year.

(1) Social debts relate to wages, social charges and provisions for paid leave.

NOTE 15 OTHER NON-CURRENT LIABILITIES

As of June 30, 2019, the other non-current liabilities were broken down as follows:

Non-current other liabilities (In thousands of euros)	6/30/2019	12/31/2018	Variation
Long-term payment advances received by customer's	5,321	4,702	619
Deferred Income	12	30	(18)
Total	**5,333**	**4,732**	**601**

Other non-current liabilities correspond to the advances received from customers at the start of the contract for the "Clinical Trials" activity.

These advances are deducted from the customer invoicing at the same rate as progress in services carried out and recognized as revenues.

They will be repaid if the clinical trial ends.

NOTE 16 REVENUE

1 – REVENUE BY GEOGRAPHIC AREA AND NATURE OF PRODUCTS

Revenue	6/30/2019			6/30/2018			Variation
(In thousands of euros)	France	Export	Total	France	Export	Total	
Services	519	3,489	4,008	176	3,178	3,353	655
Sale of licenses	-	3	3	-	1	1	2
Sale of goods	-	-	-	-	3	3	(3)
Total	**519**	**3,493**	**4,011**	**176**	**3,182**	**3,358**	**654**

Geographic areas are divided according to destination.

Revenue split by geographic areas (In thousands of euros)	6/30/2019	6/30/2018	Variation
USA/Canada	1,685	1,864	(179)
China	1,144	263	881
France	519	176	343
United Kingdom	324	763	(439)
Other Export	340	292	48
Total	**4,011**	**3,358**	**653**

With a €4.0 M revenue, Median Technologies' sales went up 19.5% compared to the first half of 2018 with €3.4 M. All the company's revenue over the period came from its iCRO business (imaging Contract Research Organization), iBiopsy® activity being in R & D investment phase for new products and services and not generating revenue at this stage.

Net new business reached €11 M in the first half of the year, with an order backlog of €30.7 M, up €7 M compared to December 31, 2018. The Net New Business intake was strengthened this semester thanks to significant new orders in China and the signing of several phase III contracts in Europe and the United States with Top 5 companies in the pharmaceutical industry. The level of the backlog allows for him to be confident about the revenues that will be generated on this year and the following ones.

The level of activity recorded in the first half of the year confirms the strategic refocusing put in place in 2018 for the iCRO business.

NOTE 17 STAFF COSTS

Details of staff costs are analyzed as follows:

Staff costs (In thousands of euros)	Notes	6/30/2019	6/30/2018	Variation
Salaries		3,371	5,544	(2,173)
Social security costs		1,398	1,833	(435)
Research tax credit		(631)	(859)	228
Total		**4,138**	**6,518**	**(2,380)**
Share-based payments	19	44	(64)	108
Employee benefits	10	(59)	37	(96)
Total		**4,124**	**6,492**	**(2,368)**
Average employee numbers		**86**	**119**	**(33)**

The research tax credit corresponds to a subsidy granted by the State based on charges incurred in connection with research and development efforts.

Expenses incurred by the Group in this area and eligible for the research tax credit correspond essentially to personnel expenses, which explains the deduction of the research tax credit from personnel expenses.

Research and Development expenses eligible for the research tax credit came to €2,090 K during the first of half of 2019, compared to €2,863 K in the first half of 2018.

The decrease in the Group's payroll and headcount is mainly due to the Group's restructuring plan for the 2018 financial year.

NOTE 18 EXTERNAL COSTS

External expenses are analyzed as follows:

External costs (In thousands of euros)	6/30/2019	6/30/2018	Variation
Subcontracting	1,159	1,616	(457)
Rental and lease expenses	257	487	(230)
Repairs and maintenance	47	74	(27)
Insurance premiums	26	42	(16)
External services - various	303	942	(639)
External staff	170	267	(97)
Intermediate and fees	737	889	(152)
Advertisement	84	155	(71)
Transport	14	21	(7)
Travel, assignments and entertainment	367	722	(355)
Postal & telecommunications expenses	29	49	(20)
Banking services	51	43	8
Other services - various	7	11	(4)
Other operating expenses	271	234	37
Total	**3,520**	**5,551**	**(2,031)**

As of June 30, 2019, external expenses came to €3,520 K in contrast to €5,551 K as of June 30, 2018. This change of – €2,031 K in expenses is explained essentially by:

- ✓ The decrease in subcontracting expenses of €457 K, which is mainly due to the discontinuation of CTMS-related services and the decrease in expenses related to pharmaceutical projects for an amount of €390 K;
- ✓ Decrease in expenses related to studies and scientific research and exhibitions for €638 K;
- ✓ The decrease in the use of temporary staff for €97 K, including €83 K for temporary staff in Asia;
- ✓ Fewer fees for €152 K, including €59 K for recruitment costs;
- ✓ The decrease in travel expenses for €355 K;
- ✓ The decrease in leases and rental expenses for €230 K, particularly as a result of the application of IFRS 16, which impacted the reprocessing of rents by €185 K.

NOTE 19 SHARE-BASED COMPENSATION PAYMENTS

As of June 30, 2019, the share-based payment agreements for the Group still underway were as follows:

- ✓ The stock option programs; and
- ✓ The warrants and BSPCE (stock options for start-ups with tax privileges).

These agreements are all governed by Group equity instruments.

The expenses for the period correspond mainly to the programs for awarding free shares and the expense of the stock option program as described in the respective notes below.

STOCK OPTION PROGRAM

The Extraordinary General Meeting of June 26, 2019, authorized the Board of Directors to proceed, on one or more occasions, in the proportions and at the times that it will appreciate, to the issue of a maximum number of 500,000 securities giving access to the capital having the characteristics of Stock-option (hereinafter "SO 2019").

The Board of Directors on June 27, 2019 has granted 385,016 stock options, the characteristics of which are as follows:

Plan no.	Grant date	Personnel involved	Number of options	Vesting conditions	Contractual life of the options
SO 2019 A	2019-06-27	Senior management	94,516	0 years of service	7 years
SO 2019 B	2019-06-27	employees and Senior management	257,500	4 years of service	7 years
SO 2019 C	2019-06-27	employees	33,000	4 years of service	7 years
Total			**385,016**		

The expense recognized in the first half of 2019 under these new stock option plans amounts to €44 K.

The main assumptions used for the determination of the expense resulting from share-based payments using the Black-Scholes model for valuing the fair value of these options were as follows:

	SO 2019 A	SO 2019 B	SO 2019 C
Price of the underlying on the grant date	1.30	1.30	1.30
Strike Price	1.50	1.50	1.50
Expected volatility	40%	40%	40%
Maturity	7	7	7
Risk-free return rates	1.14%	1.14%	1.14%
Dividend rates	0%	0%	0%
Fair Value of Option	0.50	0.50	0.50

The expected volatility was assessed considering the historic volatility of the share price of a group of comparable listed companies, particularly over the historic period compatible with the expected term. Instrument movements in the first half of 2019 are presented on page 10.

NOTE 20 FINANCIAL INCOME

Financial income is analyzed as follows:

Net financial result (In thousands of euros)	**6/30/2019**	**6/30/2018**	**Variation**
Interest and financial charges paid	(10)	-	(10)
Loss on investments	(4)	(3)	(1)
Cost of net financial debt	**(14)**	**(3)**	**(11)**
Exchange Loss	(25)	(81)	56
Others financial charges	-	-	-
Other financial charges	**(25)**	**(81)**	**56**
Exchange Gain	17	192	(175)
Other Investment income	8	19	(11)
Other Investment income	**26**	**211**	**(185)**
Total financial result	**(12)**	**127**	**(139)**

NOTE 21 INCOME TAX

Income tax expense is broken down as follows:

Tax on profit or loss (In thousands of euros)	**6/30/2019**	**6/30/2018**	**Variation**
Payable tax - France	-	-	-
Payable tax - Abroad	2	2	-
Deferred taxes - net	15	(7)	22
Total	**17**	**(5)**	**22**

NOTE 22 INCOME PER SHARE

The number of shares used to calculate the income per share is equal to the average weighted number of ordinary shares outstanding during the financial year, from which the treasury shares were deducted.

Net result per share (In thousands of euros)	**6/30/2019**	**6/30/2018**	**Variation**
Net result	(4,223)	(8,955)	4,732
Weighted average number of ordinary shares outstanding	12,104,224	11,951,702	152,522
Treasury shares	(43,401)	(31,040)	(12,361)
Total shares	**12,060,823**	**11,920,662**	**140,161**
Earnings per share (en euros)	**(0.35)**	**(0.76)**	0.41
Number of potential shares	**13,610,254**	**13,557,692**	**52,562**

Potentially diluting instruments are described in Note 2.F. During the periods presented, the instruments giving a right to the capital on a deferred basis (Founders share warrants, share purchase warrants) are considered as anti-diluting as they lead to a reduction in the loss unit. Therefore, the diluted income unit is identical to the base income unit.

NOTE 23 OFF BALANCE SHEET COMMITMENTS AND OTHER POSSIBLE LIABILITIES

The main off-balance sheet commitments and other possible liabilities are presented below:

POSSIBLE ASSETS AND LIABILITIES

According to the provisions of the licensing agreements with the University of Chicago, the Company owes this institution the following amounts, not yet recognized as of June 30, 2019:

- ✓ Royalties equal to 1% of the revenues generated by the Company for the CAD-Lung software after June 30, 2019. It should be noted that the agreement stipulates that the Company will in all cases have to pay the University of Chicago a minimum of $15 K in royalties for each calendar year (provisioned in the balance sheet as of June 30, 2019.
- ✓ $45 K when the Company has obtained the administrative authorizations necessary for sale of the CAD-Colon software either in the United States, Japan or Europe, as well as $30 K when the cumulative sales of the CAD-Colon software have surpassed $1 M. It should be noted that the Company decided in early 2009 to discontinue sale of the CAD-Colon software.
- ✓ Royalties equal to 1.5 to 2.0 % of the revenues to be generated by the Company for the CAD-Colon software after June 30, 2019. It should be noted that the agreement stipulates that the Company will in all cases have to pay the University of Chicago a minimum of $15 K in royalties for each calendar year. It should be noted that as the Company has decided to no longer sell the CAD-Colon software and in agreement with the University of Chicago, this agreement will not be applicable unless the Company subsequently resumes sales of the software.

NOTE 24 TRANSACTIONS WITH ASSOCIATED PARTIES

Compensation of principal executives

The principal executives consist of the members of the Company's Board of Directors.

Compensation paid or to be paid to the principal executives is as follows:

Remuneration of senior directors (In thousands of euros)	6/30/2019	6/30/2018	Variation
Wages and salaries (including social security contributions)	397	1,006	(609)
Wages and salaries to be paid (including social security contributions)	101	254	(153)
Share-based payments	39	246	(207)
Pension obligations	-	-	-
Director's fees	25	75	(50)
Total	**562**	**1,581**	**-1,019**

The decrease in compensation paid to senior directors is mainly due to the departure of one of them in the first half of 2019.

In the first half of 2018, a consulting agreement was concluded with Oran MUDUROGLU, director of the company. The contract was concluded for a period of 1 year from January 1, 2018 with tacit renewal. As of June 30, 2019, the amount in the accounts amounts to €35 K.

The consulting contract that existed with one of the other directors of the company, Kapil DHINGRA, was not renewed on May 31, 2019. As of June 30, 2019, the amount in the accounts under this contract amounts to €81 K.

The Group has no other transactions with the members of the Board of Directors.

NOTE 25 DIVIDENDS

No dividend was paid by the Group during the first half of 2019, just as during the course of the financial year ended December 31, 2018.

NOTE 26 SIGNIFICANT EVENTS THAT OCCURED SINCE JUNE 30, 2019

No events occurred between the closing date and the closing date of the accounts by the Board of Directors.

5. DECLARATION BY THE PERSON RESPONSIBLE FOR THE CONSOLIDATED FINANCIAL STATEMENT

PERIOD FROM JANUARY 1, TO JUNE 30, 2019

I hereby declare, to the best of my knowledge that the consolidated half-year financial statements for the previous period have been prepared in accordance with applicable accounting standards and provide a true and fair view of the Group's assets, financial position and financial performance (Company and affiliated companies included in the consolidated financial statements), and that the half-year management report includes a fair review of important events that occurred during the first half year and their impact on the financial statements, as well as the main transactions between related parties.

Signed in Valbonne, October 1, 2019

Chairman of the Board of Directors

MEDIAN Technologies

Oran MUDUROGLU